FINANCIAL BUSINESS.

Presentation of the Budget for 1950-51.

Sri H. C. DASAPPA (Minister for Finance and Industries) :—
Mr. President, Sir,

I rise to present to the House the revised estimate for the year 1949-50 and the budget estimate for the year 1950-51.

This is the third budget which I have had the privilege of presenting to the Legislature after the new popular Government took up office. I, however, deem it a particular privilege to do so this year for the reason that it is the first budget after the ushering in of the Indian Republic. To any Indian the feeling must be an exhilarating one. The idea that after centuries of serfdom on the one hand and disunity on the other, we are free and we are united under one constitution and one flag with no pockets of divided loyalties, save for a few tiny possessions in the hands of the French and Portuguese soon to disappear, cannot but evoke in us a feeling of joy and pride. So before entering upon our appointed task let us pay our meed of reverential homage to all the great galaxy of patriots who secured us this freedom—at the head of which shines like a resplendent star, Mahatma Gandhi. Thank God that some of his stalwart associates have the destiny of the country in their hands at this critical juncture and are carrying on the burden with unequalled devotion and ability. Introductory.

The task of framing the constitution was by no means an easy one. The President of the Indian Constituent Assembly, the Drafting Committee, which was presided over by the eminent constitutionalist Dr. Ambedkar, and all the members deserve the warm gratitude of this nation. Let us not forget that this was made possible by the wonderful work of the Deputy Prime Minister, Sardar Vallabhbhai Patel, who within a short time achieved, what is unparalleled in history, the evolving of order out of confusion created by the British when they left behind them among others 500 and odd independent sovereign States.

On the 26th January this year—the day of inauguration of the new Constitution—the last of the Governors-General, Sri C. Rajagopalachari made room for the first President of the Indian Republic, Dr. Babu Rajendra

Prasad. Both are friends of Mysore, Rajaji with close personal associations in the State and Rajen Babu as one who has taken a keen though detached interest in the political as well as the constructive activities in Mysore. The country honours them and wishes them both well.

Mysore Constituent Assembly.

I said last time that normally left to ourselves the Mysore Constituent Assembly would have concluded its labours early and a new House and a new Government would have come into being. But our Constituent Assembly had to await the framing of a model constitution by the Centre. As days passed, however, the idea of a separate constitution for the Indian States was given up in favour of something better, *viz.*, of a constitution to the States and Unions similar to the Provincial constitution. We, in our *poorvasrama* as members of the Mysore Constituent Assembly accepted this idea and the new Constitution of India has provided for it in Part VII of the Act. Its acceptance by Mysore and other States and Unions completed the picture of political integration of India. Being the most recently elected body and following the analogy of the Centre, this Constituent Assembly of Mysore was converted into the Legislature in December 1949 and a re-shuffled Cabinet came into being with a reduced strength but of a purely Congress complexion.

Art. 371 of the Indian Constitution.

Talking of political integration, I wish to refer to one matter which cropped up during the question hour earlier this session and that was whether the Centre was exercising any control over the framing of our budget proposals. I said the budget was a matter in which the State was free to order as it chose, but that the Centre may be inclined to see it beforehand just to satisfy itself that sound canons of finance were observed. It did not mean that there would be any interference on the part of the Centre with our freedom. Article 371* of the Indian Constitution Act was one, to which, as all Hon'ble Members are aware, the Mysore Constituent Assembly took strong exception. When it came up for considera-

*"Notwithstanding anything in this Constitution during a period of ten years from the commencement thereof, or during such longer or shorter period as Parliament may by law provide in respect of any State, the Government of every State specified in Part B of the First Schedule shall be under the general control of, and comply with such particular directions, if any, as may from time to time be given by, the President.

Provided that the President may by order direct that the provisions of this article shall not apply to any State specified in the order."

tion at the Indian Constituent Assembly, the House will remember that the Deputy Prime Minister, Sardar Vallabhbhai Patel, in commending the same for the acceptance of the Indian Constituent Assembly assured that that article was not meant to be used in the case of States like Mysore. It may be noted that in the whole history of modern Mysore there was no idea of any such scrutiny of our budget by the Paramount Power. Mysore had its own high traditions of administration and had the best of relations with the Centre. Its coming under the exemption clause therefore may be just a matter of time. Even without the application of the article, there are endless ways for the Centre to see that any of its useful directives are not ignored by the States whether of Part B or Part A or Part C.

Financial Integration.

In my last budget speech I had referred to the question of financial integration stating that the matters which were still in the stage of negotiation could not be disclosed. I had hoped, however, that there would be a fair deal. I am glad to say we have had it. The financial agreement entered into under article 278 (formerly article 258 in the Draft Constitution) was signed on 28th February 1950. The Hon'ble Members are also aware of the contents of the White Paper placed before the Indian Parliament along with the budget. The main principles of the scheme may be stated in the words of the White Paper as follows:—

"The scheme of integration, which will take effect from 1st April 1950, places the States and Unions in the same position as the Indian Provinces *vis-a-vis* the Centre. The present composite Governments of these States will be divided on a functional basis and the Centre will take over the Central subjects and services from these States with the related assets and liabilities. But since some of these States were financing what would be Provincial Services from the surplus of their revenue from Central subjects some form of financial assistance to them to meet the dislocation caused by the lifting of federal revenue and expenditure from their budgets is obviously necessary. Following the Committee's recommendations for a transitional period of ten years the Centre has agreed to make good (with certain adjustments) to the States the difference between the actual federal revenue lost to them and the federal expenditure saved to them as a result of federal financial integration. This reimbursement will be made in full for the first five years and on a diminishing scale for the next five years. The States will be in the same position as the Provinces in the matter of sharing divisible sources of revenue like income-tax but any grant made to them to cover the federal revenue gap will be set off against this share."

The House is already aware that such subjects in the Union List which were being administered by Mysore, as for instance, Railways, Income-tax, Central Excises, Telephones, Military, Audit, Akash-vani and Geophysical Operations, would be taken over by the Centre. It meant that three of the most revenue yielding sources would be lost to us and they were elastic sources too. The Indian States Finances Inquiry Committee presided over by Sri V. T. Krishnamachari proceeded on the basis of no compensation for the assets lifted to the Centre. Let it be noted that these assets were built up laboriously by careful husbanding of our resources and judicious borrowings on the one hand and tightening the belts of the comparatively poorly-paid services on the other. A brief memorandum will be placed before the House indicating the main features of the integration. As a result of the lifting of the federal revenue and expenditure the net loss is estimated to be Rs. 325 lakhs on a provisional basis, the details of which are to be found in the memorandum. The recommendation of the Committee was that in order to avoid sudden dislocation in the financial structure of the States, the Centre should repay to the State the net gap by way of graduated reduction of 4 per cent every year so that in the 10th year the Centre would make good 60 per cent of net gap. It was open in the alternative for the State to take its share of the divisible taxes, grants, subsidies, and contributions, from the Centre if the State considered the latter was a better alternative.

Rajamantrapravina H. B. GUNDAPPA GOWDA (Hassan District—General).—It is better if copies of the speech are made available to us so that we may better follow the Hon'ble Minister while he is reading it.

SRI H. C. DASAPPA.—Copies will be made available later on, not now.

JANAB MOHAMED HANIEF (Bangalore—Muslim).—I too state that we can better follow if the copies are before us.

SRI H. C. DASAPPA.—It is not usual to give copies before the speech is read.

(*Some Members complained that they could not hear the Hon'ble Minister.*)

SRI H. C. DASAPPA.—If the loud-speakers do not work, I am not responsible . . . . . .

During the further stages of negotiation, it was urged that the reduction from the first year itself

would be too great a strain and the reimbursement must be full for the first five years at least and the graduated reduction may begin from the sixth year at a steeper rate of 8 per cent every year. This, I am glad to say, has been agreed to. At the end of the tenth year the guarantee ceases and the States will be placed exactly on the same footing as Provinces. It may however be noted that the State, as a result of integration agreement, will get during the standstill period of five years, grants, subsidies, and contribution just on the same basis as the Provinces, which is a distinct gain. Apart from the above, as a result of further discussions with the States Ministry at the time of signing the provisional agreement the following additional advantages were secured :—

(i) Instead of taking the average of 3 completed years for purposes of computing the revenue, two best years out of the three were taken, *viz.*, 1946-47 and 1948-49 ;

(ii) The excess contribution to the Railway Depreciation Fund to the extent of Rs. 19 lakhs in 1946-47 was to be added on to Railway income and this secured an advantage of Rs. 8½ lakhs per annum ;

(iii) Special addition of Rs. 7½ lakhs on account of Excise Duties per annum in view of the fact that fresh duties were levied in 1948-49 ;

(iv) Exclusion of arrears of pay of about Rs. 16 to 17 lakhs from expenditure, that is to say an advantage of about Rs. 8 lakhs per annum ;

(v) For purposes of calculation of income-tax to be lifted, the excess profits tax paid during the years concerned was to be added on to the income ;

(vi) Likewise, the income of the Gold Mining Companies at K.G.F. for the years 1946-47 and 1948-49 has to be calculated on the basis of non-existence of gold duty which has since been agreed to be abolished since the increased Income-tax had been taken into consideration in arriving at the loss to the State by abolition of Gold Duty.

(vii) Writing down capital outlay on Mahatma Gandhi Hydro-Electric Works and Krishnarajasagar for purpose of treating them as productive assets.

(viii) Omitting outlay on Tunga and Lakkavalli.

The share of debt to be taken over by the Centre according to the scheme may be about Rs. 6 crores of which we may have to make good certain balances under deposits, Provident Funds, etc., relating to Federal Departments. The Centre will discharge their net obligations as and when our loans become due and meanwhile, they will pay interest. The Centre will bear the liabilities in proportion to the ratio that their productive assets bear to our productive assets. It is for fixing this ratio that the value of our capital assets such as Mahatma Gandhi Hydro-Electric Works at Jog and Krishnarajasagar, which have been yielding so very little, has been written down, which is distinctly to our advantage.

The other important part to which a reference has been made is that *in addition* to the net gap the State will receive the grants-in-aid and subsidies. The food subsidy on imported food-grains which we were not receiving till this year and which has been allowed to us this year to the tune of 50 per cent will hereafter be placed on exactly the same basis as Provinces and we will also get at 75 per cent. This may be a vanishing advantage in view of the self-sufficiency project in food, but whatever comes must be welcomed. The budget will also show the subsidy and advances we are getting towards Food Production Drive. It will thus be seen that on the whole, there has been a fair deal. However, we have to so adjust our revenue and expenditure that when we have to fall in line with the Provinces we will not be found unprepared. We may no doubt have the opportunity to present our case before the Fiscal Commission which will be constituted from time to time, but if we should secure additional relief we must so order our economy as to convince them that there has been neither negligence in tapping available sources of revenue nor extravagance in our expenditure. As I said last time, we cannot be oblivious to the distinct advantages of integration, of sharing in the fuller life of this great country as equal citizens, of helping in the planned progress and development of the country and of participating in equal measure the assistance that the Centre extends to its units.

Buildings lifted to the Centre.

One problem arising from financial integration is yet undecided and that is with regard to buildings which are now in use by the Federal Departments to be lifted.

[ysore's position in this respect is rather exceptional. ıe has planned her buildings right from the beginning ıd taken care to fit them up with the general scheme ' City Planning, etc., which is, as much as to say, that ere utility has not been the only concern. The scheme ' no compensation for assets was evolved out of a fiction, ımely, that the State Government was a composite one ıd was now to be divided on a functional basis. Even . our contention has been that so long as the buildings of department are not wanted for the particular purpose r which they were intended, such buildings on the same nctional analogy may be handed over to the State ithout compensation. The present idea of the Central overnment seems to be that only when the buildings are ıt required for any federal purpose whatever, could they : handed back to the State without compensation. have every hope that the Centre will sympathise ith the equity of our claim and show us the same nsideration as they have done throughout these gotiations. There are some minor issues which arise regard to what are known as shared buildings. here for instance as in the Income-tax and Sales ıx Departments or in the Excise Department e federal and State functions were combined, the litting up of functions gives rise to the problem as to ıw best to transfer the federal assets regarding buildings. kewise, the Comptroller's Office when the Audit Department goes to the Centre. It is not possible to transfer portion of these Public Offices to the Centre. Anyway, ese are matters which I have every hope will be all ttled to the satisfaction of both the Governments.

Audit

I have just mentioned about the Audit Department ıich is going to the Centre. Independent Audit is as cessary as independent judiciary. This is a step which of us should welcome. I am glad to say that we have ıite an efficient system of audit. The transference will ıt present any problem to the Centre. The Comptroller d Auditor-General of India, Sri V. Narahari Rao, himlf a Mysorean, was here recently and felt satisfied with e arrangements for taking over. At present, the Compıller is looking after initial accounts also as in the case P.W. Divisions, etc., and this will continue to be ıder his charge until the bifurcation takes place. ıe problem that arises is with regard to audit of local

bodies. In some Provinces this work is entrusted to the Central Audit on a service at cost basis. Other Provinces have got their own separate audit. We may have to take an early decision in the matter as to which would be the better course for us.

Repeal of Gold Duty Act

Before I go into the Budget proper, I would like to deal with one other subject of general interest from the financial point of view, that is, with regard to the Gold Duty Repeal Act. Hon'ble Members are aware that this Repeal Bill was placed before the Representative Assembly and the Legislative Council along with a copy of the agreement and after it passed through both the Houses it received the assent of His Highness on 27th July 1949. The Hon'ble Members in both the Houses while according their approval to the measure, made certain suggestions. The Companies have accepted the suggestion of having two directors instead of one, the second to be co-opted on the recommendation of the Government. The agreement will be signed shortly as per the understanding already arrived at.

Bifurcation of Budget

The financial statement placed before the House takes the usual form showing Accounts 1948-49, Revised Estimates 1949-50 and Budget Estimates 1950-51. Unlike previous years, the Budget is presented in two parts, Volume I comprising Revenues of the State, normal expenditure and lumpsum provision for Development Schemes. Volume II shows details of the several Development Schemes and is a supplement to Volume I giving details of the provision for Development Schemes under each major head. The compilation of Volume II was considered essential in view of the demand for details of Post-war Schemes which were merged in the normal transactions of the Department and with a view to maintaining clear accounting of schemes which may be eligible for grants from the Centre. I request that this bifurcation and the fact that the Revised for 1949-50 shows figures for only 9 months as against the 12 months of budget for that year may be borne in mind when dealing with the Budget. I hope that Hon'ble Members will appreciate this form of presentation as in most other States which enables us to know how far schemes taken are progressing and what the new schemes taken up by Government are.

The Revenue realised during the year was Rs. 1,184.40 lakhs and the net expenditure on Revenue account was Rs. 1,184.40 lakhs. The expenditure met from Funds was :— Revenue Accounts 1948-49.

		Rs. in lakhs.
Irrigation Development Fund	..	.. 43.49
Road Fund	..	.. 40.74
Special Reserve	..	.. 188.60
	Total	.. 272.83

The Ways and Means include expenditure on Capital amounting to Rs. 535.69 lakhs and the year closed with a cash balance of Rs. 345.55 lakhs.

In view of the financial integration and to have uniformity of procedure, the financial year was changed from 1st April 1950 and consequently, the year had to be closed for 9 months. According to the Revised Estimates the Revenue anticipated is Rs. 920.05 lakhs. The gross expenditure for the year is Rs. 1,155.19 lakhs including contribution of Rs. 22 lakhs and of the gross expenditure, it is proposed to meet Rs. 234.09 lakhs from Funds as under :— Revised 1949-50.

		Rs. in lakhs.
Road Fund	..	.. 52.77
Irrigation Development Fund	..	.. 10.41
Rural Development Fund	..	.. 49.73
Special Reserve	..	.. 120.77
Silk Development Fund	..	.. 0.41
	Total	.. 234.09

The normal receipts to Road Fund and the grant from General Revenues are sufficient to meet the expenditure debitable in respect of Communications and there is therefore no drawing from the balance of this Fund and this Fund by itself is a deficit Fund. As compared to Budget, the drawing from Irrigation Development Fund is less in view of the transfer of certain charges to Grow More Food under 27. Agriculture. The reason for net increased drawing as shown under 'Deduct expenditure met from Funds' is therefore mainly due to the fact that the expenditure under Rural Development was directly shown as transferred to the Fund under the Major Head in the Budget, but now it is proposed to show gross expenditure under

Rural Development and transfer the expenditure under 'Deduct expenditure met from Funds'. The Revised is thus estimated to result in a deficit of Rs. 1.05 lakhs but I hope that when the actuals become available there will be no deficit but actually a surplus.

Budget 1950-51.

The Budget 1950-51 estimates for a Revenue of Rs. 1,169.88 lakhs and an Expenditure of Rs. 1,254.67 lakhs. Out of the Expenditure, it is proposed to meet Rs. 2.95 lakhs from Irrigation Development Fund, Rs. 50.57 lakhs from Road Fund, Rs. 30.15 lakhs from Rural Development Fund and Rs. 4.18 lakhs from Silk Development Fund, *i.e.*, Rs. 87.85 lakhs in all, thus resulting in a net Expenditure of Rs. 1,166.82 lakhs. The surplus for the year is estimated to be Rs. 3.06 lakhs. As explained in the Revised, there is really no drawing from the balance of the Road Fund as the contribution of Rs. 24 lakhs together with the other anticipated receipts of Rs. 32.64 lakhs to the Fund will be sufficient to meet the expenditure of Rs. 50.57 lakhs under 24-A. Communications and other charges directly debitable to the Fund. The Grant to Rural Development Fund shown under Grants for Public Improvements is Rs. 31 lakhs and the expenditure proposed to be debited is only Rs. 30.15 lakhs. Even here there is no drawing from the balance at the credit of the Fund. Unlike previous years, no amount is proposed to be drawn from Special Reserve to balance the Budget. The expenditure under Silk Development Fund represents cost of schemes specifically debitable to this Fund and instead of transferring the expenditure directly, it is shown here to give a clear picture of the position. The small expenditure shown as debitable to Irrigation Development Fund represents outlay in excess of Rs. 12 lakhs under "23. Irrigation Works". For the first time the Budget shows a surplus without recourse to any drastic taxation or retrenchment measures or drawings from reserves and I hope that that will meet with the uniform approval of all Hon'ble Revenue :

INCREASES IN REVENUE.

The Budget includes the following increases in Revenue :

An increase of Rs. one lakh has been taken to account on account of the raising of the existing fees by 12½ per cent. The existing rates are far below the rates in the other States in India. Registration.

An increase of Rs. 5 lakhs is taken as it is proposed to raise the rate for heating circuits from 6 pies to 9 pies and to levy a surcharge of 10 per cent on rates of power supply other than heating and irrigation pumps. The House is aware that we have been investing heavy capital on these works and though the working expenses have appreciably increased our rates have remained the same. Electrical.

Betting is an evil but, it will take sometime before we could completely eliminate it. One of the ways of mitigating its effects is to mop up the money and use it for good ends. It is proposed to raise the existing rate of 12½ per cent to 25 per cent. It is expected to yield an additional revenue of about Rs. 7 lakhs. Betting Tax.

It is proposed to remove certain exemptions under Sales Tax on non-rationed articles like pulses and this is expected to yield an additional revenue of Rs. 4 to 5 lakhs. Sales Tax.

The following table shows the amount of subsidy and establishment and other charges incurred in Food Department :— Depot charges in Food Department.

Year		Subsidy, etc.	Establishment and other charges excluding dearness allowance
		Rs. in lakhs.	Rs. in lakhs.
1944–45	..	28.18	23.19
1945–46	..	30.12	28.23
1946–47	..	175.76	40.55
1947–48	..	75.23	38.38
1948–49	..	150.62	26.90
1949–50 (Revised)	..	90.00	31.56
Total	..	549.91	188.81

It may be seen from the above that total losses incurred including establishment and other charges is about Rs. 740 lakhs exclusive of dearness allowance since the inception of the Department and this is due to the liberal policy followed in fixing the purchase and selling prices. Almost all the other States have proceeded on the

basis of service at cost. The House will readily appreciate, I am sure, the fact that the consumers of rationed articles in the State are having the best deal in India that it is not fair to tax the people to such a large extent for the sake of the minority of non-producing consumers. Nor can the State Revenues hereafter bear such heavy losses. Though it is not intended for the present to revise the purchase or selling prices, it is proposed to recoup a portion of this loss by levy of depot charges at 6 pies per rupee and this is estimated to yield a Revenue of about Rs. 20 lakhs.

The above small measures of additional taxation were considered necessary to balance the Budget without curtailing the activities of the Nation-Building Departments and I hope the Government will have full support from all Sections.

Expenditure.

The Budget Volumes I and II as also the Memorandum will explain the details of provisions made and I would only say that the Budget has taken into consideration all the development activities. Education, Grow More Food and Medical and Public Health Departments have received the maximum grants. No reductions have been made under Irrigation, though some reduction had to be made under Civil Works and Communications. Even here preference has been given for Medical Buildings and residential quarters. The Grow More Food Budget takes into account a grant of about Rs. 40 lakhs from the Centre and I hope that with their assistance and grants from State Funds, the desired object of self-sufficiency in food will be achieved.

His Highness the Maharaja has been pleased to indicate the policy which the Government may have to follow in the near future. Quite naturally, the new Popular Ministry had to satisfy the great volume of public demand for all-round progress which meant a more generous expenditure in Development Departments. His Highness has stated " It is obvious that during the next two or three years we have to concentrate more on qualitative reform than on merely quantitative expansion." Not that normal progress will in any way be retarded but the emphasis may be on consolidation more than expansion for the present.

Retrenchments.

The Report of the Economy Officer has been under the consideration of Government and although as usual the Departments are reluctant to give effect to any retrenchment measures, Government have been forced to effect retrenchments to the extent shown in the Budget and orders regarding details of these retrenchments will be issued in due course. The following are the effects of retrenchments included in the Budget:—

	Rs. in lakhs.
Land Revenue	2.50
Forest	2.00
Excise	2.00
Police	1.00*
Veterinary and Agriculture	3.00
Army	8.00
Rural Development	3.00
General Administration	2.00
Total	23.50

* The reduction under Police is in addition to the retrenchment of about 6 lakhs already effected during the current year.

Ways and Means.

The Budget for the coming year is expected to close with a cash balance of Rs. 114.77 lakhs after providing Rs. 545.45 lakhs for Capital and Rs. 115.05 lakhs under Investments. The details for these are given below:—

Shares in Joint Stock Companies:		
Fertilizer Works	26.00	
Shimoga Sugar Company	13.65	
Raw Film Industry	18.00	
Telephone Industry	10.00	
Lac and Paint Works	1.50	
		69.15
Sinking Fund		30.54
Famine Reserve		1.82
Depreciation Funds		13.54
Total		115.05

The net result of incomings and outgoings under debts, deposits and other heads, are not sufficient to finance a heavy capital programme. Government have carefully considered all aspects and only such of the works which are absolutely essential in the interest of production and for which commitments have already been made have been provided for. Further, most of these capital works come under Development Schemes and had been taken up before the Popular Ministry assumed office and it is too late to go back from the commitments. What the present Ministry has done

is to adopt a cautious policy both in respect of fresh undertakings and of important existing works and to hold them up wherever necessary at convenient stages without risk of loss to the State. Even for financing the works in progress nearly Rs. 10 to 11 crores will be required and this amount can be found only by borrowing from the Centre or floating a public loan. How far either of these courses is feasible is under the examination of Government. It may become necessary to sell the available securities and to reimburse the same later after our borrowings become effective. I do not think, Sir, there is anything wrong in using the available resources unless the Assembly could advise us to stop all works forthwith regardless of all the consequences. There has been frequent criticism that the Popular Ministry has spent away all the cash resources. This is far from truth. Before the Ministry assumed office, commitments had already been made both on Revenue Account and Capital. To mention the major items, the revision of scales had been given effect to at a recurring cost of Rs. 1¼ crores per annum and that too with retrospective effect with weightage and the dearness allowance had been enhanced. Orders had been placed on Capital Account and the heavy food subsidy was already there. The only unfortunate thing, if it can be called so, is that these heavy bills became payable during our period. I am not criticising the previous Government but on the other hand I am stating that having inherited these legacies we boldly faced them. The following figures should convince the Hon'ble Members as to the reduction of cash and investments:—

	1-7-1947	1-7-1948	1-7-1949		1-7-1947	1-71948	1-7-1949
Cash and Investments	3352.33	3005.06	2317.99	Permanent Debt.	1621.13	1620.97	1620.10
Loans and Advances.	240.72	302.10	430.64	Unfunded Debt.	1100.09	1101.11	1146 36
Capital	2592.84	2838.59	3371.00	Local and other Funds.	457.21	430.27	421.31
				Deposits	227.48	224.45	407.00
				Reserve and Depreciation Funds.	1861.72	1903.56	1787·52
				Miscellaneous.	175.74	120.28	42.23
Total	6185.89	6145.75	6119.62	Total	5443.37	5400.64	5374.52

It may be seen from the above that the total cash and investments on 1st July 1947 was Rs. 3,352 lakhs and on 1st July 1949 this figure declined to Rs. 2,318 lakhs, *i.e.*, there was a reduction of Rs. 1,034 lakhs. Besides, there was increased balance under unfunded debt by Rs. 46 lakhs and deposits by Rs. 180 lakhs. The net total cash outgoing during the two-year period other than on Revenue expenditure may therefore be taken as Rs. 12.60 crores. This heavy outgoing may be explained as under :—

	Rs. in lakhs.
Increase under loans and advances ..	190.00
Capital expenditure	778.00
Reduction of Liabilities :	
Local and other Funds	36.00
Reserve and Depreciation Funds ..	124.00
Miscellaneous (Remittance and Suspense) ..	133.00
Total ..	1,261.00

The disbursement of arrears of pay due to revision of scales of pay alone may be taken as Rs. 1 crore and this had also an effect on cash position. The reduction in the cash position may be mainly attributed to capital outlay, food supply operations, and grant of loans and advances.

The increase from 1st July 1947 to 1st July 1949 under Capital is explained as noted below :—

	Increase. Rs. in lakhs.
Railways	64
K. R. S. Irrigation Works	11
Hydro-Electric Works	288
Tunga and Lakkavally	51
Industrial Works	44
Iron Works	79
Food Supply transactions not met from Revenue	241
Total ..	778

The increase under Advances and Loans during the two-year period is due to several factors. But, mention may be made of the following advances :—

	Increase. Rs. in lakhs.
Industrial advances to Government industrial concerns	36
Objection book advances	36
Advances for purchase of seeds and manures ..	38
Advances for agricultural implements ..	10
City Improvement Trust Boards, Bangalore and Mysore ..	13
Loans to Mining Companies	9
Loans to Radio and Electricals Manufacturing Company	23
Loans for purchase of machinery	30
Loans to Municipalities	6

It may be seen that as against the reduction in cash and securities, there has been corresponding investments under 'Capital and Loans and Advances'. The main criticism levelled is that securities earmarked against liabilities are being utilised. Except the Sinking Fund where the whole of it must be invested and the other liabilities like Savings Bank deposits, Provident and Life Insurance Funds where a portion has to be invested, I do not see why a Government should not make use of the other securities in the interest of the country as a purely temporary measure so long as the normal transaction during the year under these Funds have been duly provided for. I feel that in considering this, the amount of advances and loans given by Government as also the value of heavy stock of foodgrains to the extent of nearly Rs. 2 to 3 crores should also be taken as sufficient cover against the liability funds. If a narrow view is to be taken, the only possibility is to stop all these works at whatever stage they may be and be prepared to take risks of heavy losses and the repurcussions of unemployment, let alone bringing all progress of the country to a standstill. After considering all aspects, the Ways and Means Estimate for the current and next years assumes sale of securities to the extent of Rs. 6 crores, in the absence of any prospects of immediate borrowing either from the Centre or from the open market.

I would like to trace a brief history of the work done by the several departments during 1948-49 and the current year.

Work done in the various Departments.

In pursuance of the policy formulated by the Government of India in the matter of Food Control, the Articles of Food Acquisition (Harvest) Order of 1948 continued to be in force till November 1949 when a revised order was issued incorporating the following important modifications:—

Food Department.

(i) The exemptions provided for in respect of certain classes of holders were abolished;

(ii) the allowances for domestic consumption allowed to the cultivators was reduced from 1.2 lbs. to 1 lb. per adult per day;

(iii) a larger allowance was provided for farm labourers and for seed purposes.

The procurement of paddy from the current harvest has been going on briskly in all the supply districts. As against an expected procurement of 18 lakhs pallas of paddy, slightly over 13 lakhs have so far been procured. The procurement has exceeded 90 per cent of the targets in Mysore and Mandya, while it is about 50 per cent in Shimoga and Hassan. The procurement of millets has just started.

In addition to the ceiling quota of 100,000 tons of foodgrains allotted to the State in the first instance for the calendar year 1949, a further quota of 30,000 tons was made by the Central Government in response to repeated representations made to them in this behalf. During the calendar year 1949, the State actually received 127,000 tons, the shortfall in millets allotments having been made good partly in rice and partly in wheat. For the current year the ceiling quota has been fixed at 75,000 tons, the reduction being due to the policy of the Government of India to drastically cut down imports and the increased expected availabilities from Grow More Food Campaign. So far 25,870 tons consisting of 18,000 tons of rice and 7,870 tons of wheat have been allocated towards this ceiling quota.

The present stock position is on the whole better than what it was during the corresponding periods of the

previous two years. The Government commitments for the remaining period of this year including the requirements for January 1951, is estimated at 248,000 tons. Taking the balance of the estimated local procurement for the year and also the balance of ceiling quota promised by the Government of India the State would have an uncovered deficit of about 32,000 tons. The Government of India have been urged to give us an additional quota to cover this deficit.

Statutory rationing continued to be in force only in Bangalore City and Civil Station, Mysore City, K.G.F. and Davangere.

Grow More Food.

The State could be self-sufficient in respect of ragi, jola and other millets in years when seasonal conditions are normal but is deficit even during normal years so far as paddy is concerned. A Three-Year Food Production Plan for the State has therefore been drawn up. Methods by which the production of food in the State may be increased are broadly classified under two heads :

(i) Intensive Cultivation,
(ii) Extension of Cultivation.

Intensive Cultivation.—The increase in production per acre on lands which are already under cultivation can be brought about by the use of artificial fertilisers, improved seeds and improved agricultural implements. The work can be concentrated only in such areas which have an assured water supply, such as areas under big tanks and reservoirs, areas of high rainfall as in the malnad. Out of a total acreage of about 7½ lakhs of acres which are available for wet cultivation it is proposed to take up intensive work over six lakhs of acres and assuming that there is increase in yield of 2.5 pallas of paddy per acre it is estimated that at the end of the three-year period the additional food production will be about 750,000 pallas of rice.

SRI L. SIDDAPPA (Shimoga District—General).—If I may interrupt the Hon'ble Minister, according to the new procedure adopted in the Dominion Parliament these things are explained by the concerned Minister when he moves the grant required for Departments and this gives an opportunity to discuss the administrative measures taken in each Department. I submit, the present explanation by the Finance Minister would be out of grace in a Budget Speech.

SRI H. C. DASAPPA.—I think, Sir, my Hon'ble friend is misreading the whole thing. I have seen a number of Provincial Budgets also. The idea is that when moving the Budget—it is not a central budget where it is only a question of financial policy—when moving the Provincial or State Budgets, it is quite a practice to indicate what the policy of the Government on various matters is. The policy has got to be indicated.

SRI L. SIDDAPPA.—My apprehension is only this, that at the time when the respective Ministers move their Demands for Grants, they may take shelter under this and say that a short review has already been given by the Finance Minister in his Budget Speech.

Mushir-ul-Mulk J. MAHOMED IMAM (Tumkur *cum* Chitaldrug—Muslim).—To supplement what my friend has said on this point, these details must find a place in the Administration Reports and not in the Budget Speech of the Finance Minister. It should merely indicate broad financial policies.

MR. SPEAKER.—That is what the Finance Minister is saying.

ಶ್ರೀ ಕೆ. ಪುಟ್ಟಸ್ವಾಮಿಯವರು (ಮಂಡ್ಯ ಜಿಲ್ಲೆ)—ಹಾಗೆಂದು ಎಲ್ಲಿ ಬರೆದಿದ್ದಾರೆಂಬುದನ್ನು ತಿಳಿಸಿದರೆ ನಾವು ಉತ್ತರ ಹೇಳಬಹುದು.

ಅಧ್ಯಕ್ಷರು:—ಅವರು ಕೆಲವು ಕಡೆ ಇರತಕ್ಕ ಪದ್ಧತಿಯನ್ನು ಹೇಳಿದರು, ಅಷ್ಟೆ.

SRI H. C. DASAPPA.—May I say that I am only trying to be helpful to the House when they take up the Budget Discussion? Otherwise my trouble is, rather I apprehend, that a great deal of unnecessary criticism might be forthcoming which would be avoided. Therefore, I would like to just briefly indicate not with regard to every department, but the important policies which the Government have been following, and if my Hon'ble friend is not interested in questions of policy, the food policy or the Grow More Food policy of the Government, I take it that there are a good many others who are really interested in that.

SRI L. SIDDAPPA.—I never said that I am not interested. I only said that there is a more appropriate occasion, when it has got to be done.

SRI H. C. DASAPPA.—Then the Hon'ble Member can kindly lend his ears.

There are some areas in the State which have an assured water supply and raiyats are growing two crops each year taking advantage of the availability of water. It is proposed to concentrate work in these areas so that two food crops could be successfully grown every

year and 40,000 acres have been selected in the State. The increased production calculating at 5 pallas of foodgrains per acre will be 200,000 pallas in these areas. A number of schemes have been drawn up for making good seeds, manures and implements available to the raiyats and the Government of India have not only accorded their approval to these schemes but have also sanctioned a grant of Rs. 42.63 lakhs for the year 1949-50 to meet moiety of the expenditure that has to be incurred by the State Government.

Extension of Cultivation.—Measures have been taken to bring more acreage under food crops by releasing Amrut Mahal kavals, date-groves and Government waste lands. Tractors and bull-dozers maintained by the Department have been used to bring this acreage under cultivation. There are 149 tractors and 20 bull-dozers under the control of the Department and have been distributed in all parts of the State and advantage is taken of these not only to plough virgin but also bring once cultivated lands which are now lying fallow back to cultivation. It is estimated that about 50,000 acres will be brought under cultivation during the next 3 years and assuming that the additional yield is only one palla of foodgrain per acre, the increased yield at the end of the three-year period will be 50,000 pallas.

The Irrigation Department has also taken a number of schemes on hand to construct big reservoirs and restore minor tanks so as to have an assured water supply for raising the paddy crop. Funds have been allotted in the Budget for these schemes. There are also schemes for making use of the water available in river valleys which are now going to waste by installing electric-pumps, Persian wheels and diesel engines. A programme for bringing 9,000 acres under lift irrigation schemes during the next three years has been drawn up and work is going on vigorously in this direction.

The progress of all irrigation works coming under Grow More Food is shown in the connected Appendices to the Budget. The Government have been giving subsidies very liberally for raiyats for digging wells and installing electric pumps for drawing water from the underground. A programme for digging 4,500 wells during

the next 3 years has been drawn up. It is estimated that about 30,000 pallas of additional foodgrains will be grown under these wells.

In addition to the above schemes which have received financial assistance from the Government of India other schemes such as purchase and supply of electric pumps, diesel sets, preparation and distribution of manure mixture, etc., have also been taken up.

It is estimated that the population of Mysore State will be 82.5 lakhs in 1951 and providing 12 oz. per adult in the urban and 16 oz. per adult in the rural areas the estimated total requirements in 1951 is 11,418,870 pallas and the estimated deficit is 2,415,540 pallas. It is hoped that by the several measures proposed to be taken up the deficit will be covered and the State made self-sufficient in respect of food. A total grant of Rs. 112.04 lakhs is provided for 1950-51 under Grow More Food and of this the grant payable by Government of India is Rs. 39.10 lakhs.

Agricultural College and Research.

The House is aware that the Agricultural College was newly started. It has had some teething troubles, but in spite of it all has functioned satisfactorily. The graduates coming out of the Institution should have the same status and opportunities of entering service as other graduates. This, however, should not mean that they should miss the main mission of their life of settling in rural areas and introducing improved methods of agriculture. Agriculture is gaining in importance not only because of food shortage but because of its assuming a more honoured place in the curricula of studies.

Paddy improvement work.

The paddy breeding work is mainly confined to the Paddy Research Station at Nagenahalli and Bikli Farm where a number of improved strains of paddy with higher yield and better quality of grain have been produced during the past several years suitable for channel and malnad areas.

Subsidised Schemes.

Among the several schemes sponsored partly by the Indian Council of Agricultural Research, Indian Central Cotton Committee and Indian Central Cocoanut Committee, mention may be made of Pulses Scheme, Millets

Scheme, Breeding of improved groundnuts, American and Egyptian Cotton, etc. Valuable results are being achieved and improved varieties of seeds are under multiplication for distribution.

Rural Development Department.

The Cash Balance at the credit of the Village Panchayets at the beginning of the year 1948-49 was Rs. 43,21,005, the income amounted to Rs. 14,36,276 making a total of Rs. 57,57,281 of which a sum of Rs. 17,23,047 was spent during the year 1948-49 leaving a balance of Rs. 40,34,234.

A brief account of the work done during the year 1948-49 is shown under :—

1.	Number of Drinking Water Wells completed during 1949-50 ..	827 and 559
2.	The length of Inter-Village Roads formed..	493 Miles: (Revenue Dept.)
3.	Number of Drainage Works completed ..	484
4.	Number of Extensions layed out in Villages	185
5.	Number of Villages where separate plots were allotted for pits for dumping Manure ..	1,385
6.	Number of Trees planted ..	128,678
7.	Number of Adult Literacy Classes opened	835
8.	Number of Societies opened ..	82 (Multi-purpose Taluk Co-operative Societies) 746 Circle (Co-operative Societies).

During the year a special grant of Rs. 2 lakhs was sanctioned for the repairs of the Inter-Village Roads. Students played an important part in the Rural Reconstruction Work in some of the Districts. Every attempt is being made to kindle the local initiative through propaganda and through the publication of the Rural Development Journal—"Gramabhyudaya."

Special Irrigation Works.

The construction of the reservoir across the river Bhadra at Lakkavalli forms one of the major irrigation schemes in the Tungabhadra basin in the northern parts of the State.

The proposals envisage :

Bhadra Reservoir at Lakkavalli.

(1) The construction of a reservoir to store 180 feet depth of water to irrigate 180,000 acres in the arid tracts of Shimoga and Chitaldrug Districts; and

(2) Development of power of 17,000 H.P. at Dam site.

The works are in good progress. Against the estimated cost of Rs. 890 lakhs, which of course has to undergo revision, an outlay of Rs. 40,66,560 has been incurred. The whole work is now concentrated at the Dam foundations. The R.C.C. bridge work has been completed.

Tunga Anicut at Sacrebylu in Shimoga District.

The scheme is taken up for developing irrigation in regions of low rainfall in Shimoga and Honnali Taluks. The sanctioned scheme is under progress. Against the estimated amount of Rs. 70 lakhs, which also has to undergo a revision, an outlay of Rs. 30,15,115 has been incurred up to end of December 1949. The anicut has been founded to half the river width and the foundations for the other half of the river has been cleared and is ready. The work is making good progress.

Nugu Reservoir Project.

This is one of the schemes for the development of irrigation in the Cauvery basin. The project was sanctioned by Government for Rs. 81 lakhs and the execution of the same is under progress. An outlay of Rs. 16,21,818 has been incurred till the end of December 1949. The dam foundation works are in brisk progress. The bridge work is also under construction, all the piers and abutments having been found. The left bank channel from the anicut has also been taken up and water supply has been made available to an extent of 107 acres.

In view of difficulties in finding funds it is proposed to take all the above three works up to convenient stages and there stop them to be further pursued when funds permit.

Important measures.

The Department has been recently re-organised so as to secure maximum efficiency and economy. A heavy programme of works has been taken on hand under the short term "Grow More Food Scheme" taking into account the grants given by the Government of India.

Every endeavour is being made to achieve the target fixed.

Department of Public Instruction.

After the advent of the new Ministry an all-round development under all grades of Education has been recorded. The cost on Education (excluding the University) which was Rs. 1,56,27,262 in 1947-48 rose to Rs. 2,26,87,904 in 1948-49 and to Rs. 2,51,00,600 in 1949-50 (Budget). The phenomenal increase in the number of schools in different grades of Education could be made out from the following statements:—

Grade of Education.

	1936-37	1946-47	1949-50
High Schools ..	37	112	180
Middle Schools ..	340	570	691
New Type Middle Schools ..	Nil	418	550
Primary Schools ..	5,868	8,558	10,107

The total strength of pupils in all these schools increased as indicated hereunder:—

1936–37	336,208
1946–47	609,270
1949–50	766,500

The Budget speaks for itself as regards the expansion of Education during the period the Popular Ministry has been in office. Among the more important measures undertaken during the last two years are:—

(1) Opening of District Board High Schools;

(2) Opening of Government High Schools;

(3) Increasing the maintenance grants to the temporarily recognised High and Middle Schools from half to three-fourths of the net authorised expenditure;

(4) Revision of maintenance grants to aided schools annually instead of triennially as was before;

(5) Introduction of Domestic Science in seven High Schools;

(6) Introduction of Hindi in all High Schools;

(7) Revision of scales of pay of the staff of Municipal High Schools involving an extra cost of Rs. 3,13,016 per annum recurring;

(8) Additional allotment of grants for the award of scholarships to different communities;

(9) Introduction of full compulsory education in nine District Headquarter Taluks, involving an extra cost of Rs. 5,65,256 per annum recurring and Rs. 15,52,280 non-recurring;

(10) Re-organisation of the Education Ranges in compulsory education areas;

(11) Enhancement of grant to Aided Primary Schools from Rs. 9 to Rs. 15;

(12) Increasing the grant for Adult Education from Rs. 4 lakhs in 1946-47 to Rs. 5 lakhs in 1949-50;

(13) Liberalisation of the rules relating to grants to Nursery Schools;

(14) Opening of Basic Education Training Centre in Huttanahalli (Vidyanagar) at a cost of Rs. 1 lakh during 1948-49 and Rs. 1,75,000 during 1949-50;

(15) Opening of twelve Primary Basic Education Schools during 1948-49 and 60 Schools during 1949-50;

(16) Opening of the Special Teachers' Training Centre at Vidyanagar to train 300 Primary School Teachers every year at a cost of Rs. 1,63,000 per annum recurring;

(17) Sanctioning the scheme of Visual Education at a cost of Rs. 1,76,500 per annum;

(18) Sanctioning of the National Cadet Corps Scheme as applied to High Schools at a cost of Rs. 51,000 per annum;

(19) Application of Education rules and concessions as prevailing in the State to the Civil Station area after its retrocession to Mysore Durbar;

(20) Sanctioning several facilities to refugee students in several grades of Education;

(21) Opening new Primary Schools, Middle Schools, New Type Middle Schools, etc.

Till recently, for some time, the Director of Public Instruction was also in charge of Vice-Chancellorship of the University. An experienced and fully qualified Civil Servant is now the Head of the Education Department. The House will appreciate the fact that the very large

grants made to the department should be put to the best use.

University Education.

In the field of University Education the improvement during the last two years has been marked. The number of University Institutions which were 14 in 1946-47 rose to 20 in 1949-50. This includes the opening of the new institutions like the College of Commerce and the Law College.

The number of affiliated colleges rose from 8 in 1946-47 to 10 in 1949-50.

The University received a grant of Rs. 34.21 lakhs in 1948-49 and Rs. 46.91 lakhs in 1949-50 as against 10.70 lakhs in 1937-38 and Rs. 17 lakhs in 1946-47. The grant to affiliated colleges and private institutions rose from Rs. 1.24 lakhs in 1946-47 to 5 lakhs in 1949-50.

The scheme of National Cadet Corps as applied to University Colleges was sanctioned during the year 1948-49 at a cost of about Rs. one lakh per annum.

The question of the recognition of the Medical Degree of the Mysore University by the All-India Medical Council was taken up and Government are glad to announce that the degree will be recognised shortly.

The system of University Education was examined by Dr. C. R. Reddy and his report thereon is under the consideration of Government. It has had a very good reception.

A new University Bill will be brought up before this House at its next session, which may be in May 1950.

Technical Education.

During the two years 1948-49 and 1949-50, new Occupational Institutes were sanctioned at Hassan, Davangere and Chintamani.

The expenditure on Sri Jayachamarajendra Occupational Institute has risen to Rs. 7.03 lakhs during the year 1948-49 and the Institution has been recognised as one of [illegible] cation. The building

for the Occupational Institute at Mysore has been sanctioned at an estimated cost of Rs. 2,82,300 and the work is in progress.

Besides, the Silver Jubilee Technological School at Bhadravati has been sanctioned at a total cost of Rs. 2.7 lakhs, the expenditure being met both by the Iron and Steel Works and the Government of Mysore.

Medical.

There were 451 Medical Institutions at the end of the previous year. Nineteen Institutions were added during the year ending 31st December 1949, bringing the total to 470 at the end of the year.

The average area served by each Institution is 62.7 square miles and the average population served is 15,594, as compared with 65.3 square miles and 16,250 of population at the commencement of the year served by each Institution.

A Mass Radiography apparatus at a cost of about Rs. 60,000 was installed at Sir K. P. Puttanna Chetty Out-patient Block of the Victoria Hospital, Bangalore.

The constructions of the Tuberculosis Clinics at Hassan, Chikmagalur, Shimoga, Kolar and Mandya were in progress.

Three Vans specially designed and equipped with necessary medicines and appliances and manned by the requisite staff were supplied to the Districts of Chikmagalur, Hassan and Shimoga for the Mobile Dispensaries started in those Districts.

A sum of Rs. 2,00,000 was sanctioned for the purchase of equipment required for the newly sanctioned General Hospital at Shimoga.

Purchase of equipment costing Rs. 4,00,000 was sanctioned for the Krishnarajendra Hospital, Mysore.

Sanction was also accorded to the purchase of surgical instruments, appliances, microscopes, operation tables, medicines, etc., at a total cost of Rs. 8,00,000.

Many of the Medical buildings have been completed.

B.C.G. Vaccination Scheme has been started and good results are expected.

The Victoria Hospital is celebrating its Golden Jubilee at the end of the year. It is expected that the anticipated target of donations will be realised and its utility already well-known will be further enhanced.

Public Health.

During the year Public Health in Mysore State was satisfactory. There was a low incidence of the main epidemic diseases, plague, small-pox and cholera, owing to increased vaccination work during the year and systematic fumigation of houses in plague infected villages, etc.

Health Units.

The 81 Health Units for Malnad sanctioned last year have since been formed. In addition to general health work, Malaria control through D.D.T. spraying has been undertaken. Wherever this work is going on, the results have been very encouraging. Malaria is on the decline and the health of the people and the efficiency of agricultural operations have already shown a definite improvement. A Malnad Malaria Investigation Centre has been opened at Sagar to work in collaboration with the World Health Organisation under the Leader, Mr. Paul Bierstein.

Amelioration of Depressed Classes.

With a view to removing economic and civil disabilities of the Depressed Classes, Government have sanctioned several ameliorative measures and have been providing sufficient funds for the purpose.

The following extents of land were granted to the Depressed Class people for cultivation :—

			Acres.
1944–45	..	..	2,734
1945–46	..	..	3,586
1946–47	..	..	2,600
1947–48	..	..	3,998
1948–49	..	..	8,997

Considerable extents of land were acquired for forming Depressed Class colonies and extensions with a view to relieving congestion in their localities and facilities were also granted to them by means of subventions and materials to construct houses.

A grant of Rs. 19 lakhs has been made in the next budget for housing of Depressed Classes.

Labour.

The Popular Ministry in Mysore have not been slow in devoting their attention to the initiation of measures for bettering labour conditions in the State. The provision of holidays with pay to the workers, the stipulation that every worker should be paid his wages at regular intervals, the provision of leave facilities and security of tenure to the workers in shops and establishments, the fixation of minimum wages and work loads and the elimination of the chances of exploitation, provision of security against recurrent risks, the setting up of a Tripartite Corporation to build houses for Labour and the prohibition of employment of children, are all characteristic of recent labour legislation in Mysore. Further legislation would have been initiated but for the fact that the Government of India informed the State Government that a comprehensive Bill was being drafted by them and that further legislation here should be kept in abeyance till they were ready with the Bill.

Labour Welfare Officers have been posted in several Government-owned and Government-aided industrial concerns for the purpose of maintaining a continuous liaison between Labour and Management. An advance of Rs. 10 lakhs has been sanctioned to the Bangalore City Improvement Trust Board for the construction of labour quarters.

The Employment Exchange Organisation has been doing very useful work. Some of the highlights for which the department was responsible during the year were the holding of the All-India Labour Ministers' Conference in Mysore as also the Session of the Governing Body of the International Labour Organisation.

Industrial Policy.

In regard to Industrial development, the House will be glad to know that, despite financial stringency, import difficulties, the devaluation of our currency and the numerous other hurdles in our way, Government is maintaining and will continue to maintain the progressive policy it has always stood for. I should like, if I may, to give you a brief and rapid survey.

Fertiliser Factory at Bhadravati.

You will be glad to know that the scheme for establishing a Fertiliser Factory at Bhadravati which, at the time, was in embryo, is now well on the road to accomplishment. Expert advice has been obtained from the leading consultants in the field, Messrs. Chemical Construction Company of New York, the Director and Executive Engineer of the project, who had been deputed to the United Kingdom and United States of America to study the technical aspects of the scheme have submitted their reports, the Central Government has approved the scheme and granted import licenses for the purchase of equipment, orders for electrolytic cells at a cost of Rs. 30 lakhs have been placed and, in view of the importance of this industry to our Food Production Drive, it has been decided that, other means failing, it will be run as a joint-stock concern, Government taking up a minimum of 10 per cent of the capital. The project enjoys some exceptional advantages which in brief are the following :—

(1) A very convenient site.

(2) Electricity available on the spot. It is cheap also.

(3) Railway siding already at the site.

(4) There is already a tramway from the Lime Stone mines at Bhadigund laid for the Cement plant.

These not only lessen the capital outlay but also ensure economical production. It is hoped even on the most modest computation it will yield a return of 20 per cent per year.

Government Electric Factory.

With regard to proposed expansion of the Government Electric Factory and the Government Porcelain Factory, the Westinghouse Electric Company, the expert mission I referred to last year, have submitted detailed proposals providing among other things, for the manufacture of high tension insulators, electric motors, transformers, lamps, both incandescent and florescent, refrigerators and other electrical machinery and equipment. The report of the consultants is under the active consideration of Government. The returns as shown in the Revised Budget which are based on the first four months' operations do not reveal the correct picture. The actuals are expected to be far better.

Indian Telephone Industries.

You are doubtless aware that the Government of India have established the Indian Telephone Industries near Bangalore and you will be glad to know that, consistent with the policy adopted in the case of the Hindustan Aircraft, Ltd., this Government have decided to participate in the new venture to the extent of 20 per cent of the capital. Adequate representation on the Board of Management has been secured and steps taken to safeguard the interests of Mysore. An immediate payment of Rs. 10 lakhs is provided for in the Budget towards our share.

Radio and Electricals Manufacturing Co., Ltd., Bangalore.

As reported during the last year's budget speech the work of manufacture of radio receivers has progressed satisfactorily and assembly of radios was commenced in November 1949. Up to now 4,000 radio receivers have been assembled in the Factory. It is gratifying to note that the tests conducted on the receivers assembled in the Factory have proved very satisfactory and the work done is appreciated by the men in the profession. The Government own 60 per cent of the shares in REMCO. They have given them a loan of Rs. 27 lakhs.

While certain difficulties in the way of the Factory were overcome by signing the agreement with Messrs. International General Electric Company, Inc., New York, another unforeseen difficulty has arisen due to the devaluation. Steps are being taken to see how the effects of the devaluation can be overcome.

Extrusion Plastics.

The extrusion plastics machinery which was handed over to this Factory by Government for operation has successfully produced plastic covered wires and miscellaneous plastic products. These products I am glad to say have stood the standard tests and we can look forward to the satisfactory production of this material for the benefit of the Government and the people of the country. This is the first establishment in India which is producing large scale extruded plastics and particularly plastic covered copper wires required for electrical works.

The Mysore Lamp Works.

The working of the Mysore Lamp Works was being keenly watched by the Government and it was found that if the Factory had to expand its activities and produce essential materials required by the country in an efficient

manner, it was necessary that the management of the concern should be taken over by Government. Therefore the Government took over the management and appointed a controller for conducting its activities. I am glad to report that the activities have expanded and equipment purchased for increasing the production of lamps from 2,000 to 10,000 per day is being erected and nearing completion. It is hoped by the new year that the Factory will be producing 12,000 lamps per day, increasing its production gradually to about 16,000 lamps per day.

Raw Film Factory in Mysore.

Proposals are in hand for establishing a Raw Film Manufacturing concern near Mysore by a private company in collaboration with a Swiss Firm. The site is pre-eminently suited for the purpose. The Government have decided to take 10 per cent of the shares in the concern and provision for the same has been made in the Budget. India is the second largest consumer of raw films in the world. It promises to be a very good success. The establishment of Chemical Industries like Fertilisers and Raw Film is bound to have healthy reactions in the State on the technical and the scientific side.

The Mysore Paper Mills, Ltd.

The company proposes to enlarge the capacity of the Mills from 4,500 to 10,000 tons per annum. The cost of the scheme is estimated at over a crore of rupees. Meanwhile, with a view to increasing productive efficiency and cutting down costs, a scheme of renovation at an estimated cost of a little over Rs. 5 lakhs has been worked out and is in process of being implemented.

While limitations of time prevent me from reviewing the progress of many of our industrial concerns, I must crave your indulgence while I outline in brief the progress achieved by our long-established major industrial concerns.

The Mysore Iron and Steel Works.

I shall begin with the Mysore Iron and Steel Works, Bhadravati, on the basis of working from July to October 1949. The results for the period ending 31st March 1950 are expected to yield a profit of Rs. 3 lakhs after providing Rs. 9.75 lakhs towards depreciation and Rs. 1.5 lakhs for the amenities fund. The reduction in profit is

due to reduction in stock-yard sales and fixation of uniform retention price for steel sections by the Government of India. The postponement of the date of starting of the new Cement plant and Ferro-Silicon plant also contributes to this result. These plants will come into operation by July 1950 and the Acetic Acid plant by September 1950.

The following important projects have been already sanctioned and are in various stages of progress :—

		Rs. in lakhs.
1.	Installation of Electric Pig Iron furnace ..	129.0
2.	Expansion of Cement Plant	55.5
3.	New Ferro-Silicon Plant	18.2
4.	Acetic Acid Plant	13.6
5.	Shop and Foundries	26.25
	Total ..	242.55

The construction of the New Electric Pig Iron Furnace is expected to be completed by September 1951. With regard to improvements to Mines and Tramways, additional rolling stock, locomotives and parts of the bi-cable ropeway ordered from England have begun to arrive and the construction work at Kemmangundi is in progress. Extensions to shops, foundries, yard, etc., are progressing.

Certain complementary schemes are awaiting sanction. The large output of pig iron has to be converted into steel and the Works have a scheme for installing Bessemer Electric Duplex Plant and a billet and light structural mill.

Besides the above, the manufacture of special steel, including alloy, tool and stainless steel wire and wire products is also under consideration. But I am afraid some of these, very desirable in themselves, have to lie over owing to financial difficulties. Proposals are under consideration for the supply of power to both Kemmangundi and Bhadigund Mines for the stepping-up of mining operation by installing machinery. When all the development schemes are completed and put into operation the ultimate output of finished steel in various forms and categories will be a lakh of tons against the present output of 25,000 tons.

Iron and Steel Quota.

While on the question of iron and steel I may refer to the inadequacy of the iron and steel quota which has naturally been a sore point with the general public and particularly with agriculturists. You will be glad to know that with a view to assist the Grow More Food Campaign the Government of India have since been induced to make an exclusive allotment of 2,400 tons for the year 1950. The quota for the general public however is extremely low and the Government of India have been urged to increase the quota.

Government Silk Weaving Factory.

The schemes for the expansion of the Government Silk Weaving Factory aim at stepping up production by about 300 per cent, the setting up of a good finishing section and the marketing of our reputed fabrics in foreign countries. The total estimated cost will be around Rs. 7½ lakhs but we have not been able to provide all the funds.

Sericulture.

The encouragement and assistance that is being given to Sericulturists will convince the House that no efforts are being spared to ensure for the "Queen of Textiles" her due measure of homage. This assistance lies in the supply of improved appliances, demonstrations of modern methods of cultivating mulberry, in granting bonus to aided grainage, loans to deserving cases and in standardising silk products on international basis by means of a well-equipped silk conditioning and testing house. Financial assistance has been given to Filatures and in collaboration with the Central Silk Board constituted by the Government of India, all possible measures are being taken to develop the Sericulture Industry. A Silk Advisory Committee for the State has also been formed. A Central Sericultural Research Station at Chennapatna is under contemplation. The Government of India have contributed a sum of Rs. 2.50 lakhs for research work and a Special Officer has already been appointed. Consequent upon an acute shortage of silk, Government imported one lakh pounds of silk from Japan in order to fill the gap between the local production of silk and the requirements of the weaving industry. A further 20,000 lb. have been imported from Italy and arrangements are being made to import further quantities.

Sandalwood Oil.

The devaluation of the sterling in September 1949 caused a spurt in the demand for sandalwood oil and

arrangements are being made to step up production to help cope with the demand. American sales are rather slow and their improvement is receiving attention. The tour of the Director in Europe, U.K. and U.S.A. has resulted in maintaining higher rates for oil on the Continent and in the U.S.A. The gross revenue for the period of 7 months ended January 1950 amounted to Rs. 41,20,909 and the net revenue to Rs. 33,80,716 as against the budget figure of Rs. 47,70,500 and Rs. 36,22,000 respectively for the 12 months ending June 1950 which is a good enough result.

Cottage Industries.

I must turn now to our small scale and cottage industries, a subject which, I know, is dear to your hearts, being the most effective means of providing gainful occupation to the common man and the most practical solution of the problem of poverty facing the country at present. The idea is to introduce a certain amount of mechanisation in the sphere of cottage industry also with a view to step up production and to improve and standardise quality. Proposals are in hand for the import of Japanese Cottage Industry machines and technicians, with a view to spread Japanese methods of production in the country, as also to manufacture such efficient and labour saving machines in the country itself. A number of handy machines that could be thus adopted are now being shown at the Refugee Rehabilitation Centre at New Delhi and the Government have arranged to depute 2 technical officers to Delhi for training in the use of these machines.

Handloom Industry.

In order to remedy the adverse marketing position resulting from the re-imposition of textile controls towards the end of 1948 the Central Government have taken the revolutionary step of reserving exclusively to this industry certain fields of production such as wide-bordered sarees, panches, bedsheets, etc., and have prohibited mills from producing such fabrics. This Government has taken active steps to promote the formation of a Provincial Handloom Co-operative Society for making raw material yarn available to handloom weavers at a fair price on the one hand, and for assisting the marketing of cloth on the other. As I have said previously, the handloom industry is the most well established and dispersed cottage industry in India and it is hoped that it

will prove responsive to our efforts to revive it and will co-operate effectively in the measures adopted in this behalf.

The Drugget Industry.

The Drugget industry is another victim of an adverse market, though the reason in this case is the dumping of unstandard druggets in the American market and the consequent reluctance and price cutting on the part of the American buyers. Revival of this industry is sought to be achieved by inspiring confidence in the foreign buyers through prohibition of export of non-standard druggets and by encouraging the production and export of only standard goods at reasonable prices. A Joint Drugget Industry Advisory Board for Madras and Mysore has been established towards this end. With a view to promote expansion of this industry on a cottage basis and to standardise products, it has been deemed necessary to set up a Processing Centre at a cost of about Rs. 2 lakhs. I am glad to report that during the present year the export of druggets has already trebled. It is hoped that when the scheme gets into full swing in 1950-51 it will be able to reach the target figure of about 4 to 5 lakhs of square yards per year which will mean earning over a million dollars of hard currency for the country. I am glad to say that the Madras-Mysore Inter State Drugget Board has been working very satisfactorily.

Khadi Development.

The plans that were under contemplation when I last addressed you on this subject have now been put in hand. Under the aegis of the State Charaka Prachara Sangha and with substantial financial assistance given by Government, a Khadi Vidyalaya for training workers and a Khadi Workshop for production of spinning wheels and other equipment have already started functioning in Medekeripura near Chitaldrug. They have received substantial grants from Government. A Four Man Committee has also been established to examine the developments in the Khadi Industry and to enquire into the working of the present Khadi Centres.

Other Schemes.

I referred to the Palm Gur Production Scheme during the last Budget Session as being the means of providing alternative employment to toddy tappers thrown out of work with the advent of prohibition, in addition to releasing a corresponding extent of sugarcane

and for the cultivation of urgently needed food crops. Work under this scheme has already started near Kodagaur Davangere Taluk, and is being carried out on the lines proposed by the Palm Gur Adviser to the Government of India.

Fruit Preservation.

Another valuable adjunct to the Food Production Drive is the Fruit Preservation Industry which has just been organised. A pilot plant for the manufacture and canning of jams, preserved fruit, etc., has been set up and has already gone into production. As soon as the trials are completed it is the intention of Government to establish a large scale production centre in order to utilise the fruit resources of the State to the best extent possible.

Bangles, Coir Industry, Chalk Oil Ghana.

Other schemes under implementation are the setting up of a production-*cum*-training centre for the manufacture of glass bangles, the establishment of a coir industry centre, the manufacture of writing chalk on a cottage industry basis and the organization of the oil ghana industry along the lines adopted at the oil ghana centre at Wardha.

Sir M. Visvesvaraya's Scheme.

It would be remiss of me to conclude this survey without alluding, however briefly, to Sir M. Visvesvaraya's Scheme for the industrialisation of rural areas, mention of which was made when I had the opportunity of presenting the budget proposals last year. You will be glad to know that, with the blessings and the active co-operation of this great Engineer-Statesman, the scheme has now been finalised and that work has actually started in the districts of Bangalore and Kolar. The main objectives of this scheme, as you are doubtless aware, are to increase production and income in every village group unit and to inculcate habits of discipline, self-help and collective effort amongst the rural population. It is a democratic ideal sought to be achieved by entirely democratic methods, and with the whole-hearted co-operation of the various bodies, official and non-official, it is our earnest hope that it will soon be extended to the other districts also, thus securing a rapid improvement in the earnings and the standard of living of the rural population of the State.

I am sure that this brief survey will go to show that the lead in Industrial Policy referred to in my last budget speech is being maintained. The need for financial assistance from the Centre is being repeatedly impressed on the Government of India and as a result of my recent discussions at Delhi, I may say that I have reason to feel optimistic about the outcome. In the meanwhile, this Government has been doing everything in its power to implement the schemes on hand to the extent practicable.

Industrial Finance Corporation.

I had referred in my last budget speech to the Industrial Finance Corporation proposed to be established in Mysore. This matter is under active contemplation. With the recent constitutional changes the prospects of the Indian Finance Corporation Act of 1948 being extended to Mysore has caused a certain amount of delay in finalising the question.

Electricity.

During the short year under review, the construction works of Mahatma Gandhi Hydro-Electric Works were continued to be pushed through. The miscellaneous works to complete the first stage of generation of power, amounting to 48,000 K.W. have been completed. The machinery ordered for the second stage scheme has been received and has been conveyed to the Generating Station for erection. One 18,000 K.W. generating unit of the second stage has been assembled. The three transformers required for the unit have also been assembled and pushed into their respective places. It is expected that by June 1952, the work of installing the pipe lines and servicing the 418,000 K.W. units of second stage of the scheme will be completed.

The work of electrification of towns and villages has been actively pursued by the department.

During the course of the year, up to end of January 1950 (7 months), the following additional installations were serviced :—

		For 9 months in the previous year	1949–50
Lighting	..	5,629	6,952
Power	..	1,118	364
Irrigation Pumps	..	208	120

During the year up to 20th March 1950, thirty villages were electrified. The work is being pushed through rapidly in order to be able to electrify all villages having a population of 1,000 and above, during the course of next three years, provided financial considerations do not compel us to curtail the activities.

Mekadatu Scheme.

Surveys have been completed and the agreement is under negotiation with the Government of Madras. As soon as this is concluded, necessary further work will be done on the project.

Honnemaradu Scheme.

An examination of the prospective loads during the course of next five to ten years reveal that the demand will exceed the combined capacity of the three generating stations, *viz.*, Sivasamudram, Shimsha and Jog, by the year 1953-54. If the industrial development of the State is not to be throttled and if increased power supply is to be made available to give an incentive to the development of industries, establishment of an additional generating station to come into service by about the year 1954-55 is perhaps inevitable. Preliminary surveys have indicated that River Sharavati which is a voluminous river lends itself admirably for the generation of the power to the extent of half-a-million kilowatts. It is proposed to conduct detailed surveys of this project during the ensuing year.

Apart from power supply to individual agriculturist for irrigating his lands, large size pumping sets are being installed in river valleys, where assured water-supply is available and water is being made available for large blocks of lands, consisting of 400 to 500 acres in each place.

A perusal of the budget of 1950-51 will reveal that special attention has again been paid for the rural electrification and power supply to irrigation pumps wherein provision has been made to the extent of 50 lakhs and 10 lakhs, respectively.

Road Transport Scheme.

For implementing the Nationalisation of Road Transport Scheme, 100 Ford Chassis and 50 Chevrolet Chassis were purchased. The total capital invested so far on this scheme amounts to Rs. 22,82,515. It is

proposed to fit up Diesel Engines to 30 Buses in view of the economical cost in operating Diesel Engines and release the petrol engines for being used as spares. A provision of Rs. 3 lakhs has been made in the next year's Budget for this purpose. A sum of Rs. 1,25,000 has been proposed for the purchase of machinery.

The Nationalisation Scheme has resulted in a net profit of Rs. 3,36,660 during 1948-49 and Rs. 1,67,479 for six months during 1949-50. It is expected that for next year, the gross receipts would come up to Rs. 37,75,000 and the expenditure to Rs. 30,53,000. After providing for depreciation at 25 per cent amounting to Rs. 4,50,000, it is anticipated that there will be a net profit of Rs. 2,72,000.

Co-operative Societies.

There were 5,103 societies at the beginning of the year, during the year 27 societies were registered and the registration of no society was cancelled. There are now 5,130 societies. The following comparative statement indicates the progress achieved by the Co-operative Movement in the State :—

	Particulars		1948–49	1949–50	
1.	Number of Co-operative Societies	..	5,103	5,130	
2.	Number of members	..	390,615	424,256	tentative
3.	Paid up share capital	Rs.	1,08,21,521	1,18,52,016	„
4.	Total working capital	„	4,47,18,511	4,60,17,810	„
5.	Net profits	„	9,84,376	11,05,375	„
6.	Total turn-over	„	30,97,77,323	24,50,70,500	„

The figures furnished for the year 1949-50 are for a period of nine months ending 31st March 1950 and they are tentative.

As a result of the rapid drive undertaken for the expansion of the movement in the interior parts of the State, 82 Taluk Multi-purpose Co-operative Societies and 743 Circle Multi-purpose Co-operative Societies under the Rural Development Scheme were registered. They cater to the daily needs in the matter of stocking and selling agricultural implements, seeds, manures, food-grains, cloth, yarn, salt, and other articles produced by the industrial concerns owned or sponsored by Mysore Government.

Land Mortgage Banks.

The lending operations of the Mysore Central Co-operative Land Mortgage Bank have been extended to the entire State and 80 Primary Land Mortgage Societies have so far been affiliated to it. Government have enhanced the cash credit accommodation from Rs. 5 lakhs to Rs. 10 lakhs. It has taken up the flotation of debentures to the extent of Rs. 25 lakhs carrying interest at 4 per cent per annum.

Co-operative Farming.

Proposals for settling villagers on co-operative principles are under the active consideration of Government. Co-operative farming is already being worked in Belagumba Village in Magadi Taluk. Government have also accorded administrative sanction for the formation of Co-operative Farming Societies at the rate of one society for each district.

Municipalities.

There were 49 Town and 56 Minor Municipalities in the State during the year under review. One Town Municipality was converted into City Municipality and sanction was accorded to the conversion of four Minor Municipalities into Town Municipalities. Two Village Panchayets were converted into Minor Municipalities.

A total grant of Rs. 12,00,000 was provided in the State Budget for giving grants to the Municipalities for Town Improvement and Water-Supply Schemes.

Instructions were issued to all the Municipalities to start the scheme of compost-making, as a part of the "Grow More Food Campaign" and the question of placing the scheme on a statutory basis is taken up by Government.

Government have appointed a Committee to examine the present working of the Town and Minor Municipalities and for suggesting measures to place them on a more efficient and satisfactory basis. After the recommendations of the Committee are received, action will be taken to effect necessary improvement in the working of these Municipalities.

Trust Boards.

With a view to solving the housing problem the City Improvement Trust Board, Bangalore City, have taken up for execution certain schemes for the formation of

residential extensions in and around the City so as to provide 6,903 sites on a self-supporting basis.

About 1,400 sites in the Jayanagar Extension and 100 sites in the Wilson Gardens Extension have already been allotted to the public and the officials. About 200 sites have been reserved in the Jayanagar Extension for Refugees from Pakistan.

In addition to the above the schemes for the construction of residential quarters have been taken up by the Board for execution. One hundred and four tenemental quarters each costing Rs. 8,310 and 50 " D " type houses costing Rs. 10,800 each (including site value in both the cases) have been built in the Kumara Park West Extension.

To meet the traffic requirements in the area the construction of an under-bridge across the M. & S. M. Railway between the Kumara Park West and East Extensions has been sanctioned and it is nearing completion.

The lay-out of the Industrial Suburb which has been named " Rajajinagar " is well under progress. Certain sites have already been provided in the Northern Zone of the suburb to the industrialists.

The Mysore City Improvement Trust Board which has been working for over forty-five years has been tackling the housing problem in Mysore City as well as underground drainage and slum clearance in old City.

The Government have also sanctioned a scheme for the construction of 192 Model houses exclusively for the Adikarnataka (Depressed Class) residents of Mysore City, at a cost of Rs. 3,05,000. The amount has been advanced by the Government at the low rate of interest of three per cent per annum.

Forests in Mysore.

The total area of State Forests and Village and Minor Forests in Mysore State during 1948-49 was 385,587 square miles. The total revenue of the department including the receipts from Sandal Oil amounted to Rs. 71,56,000. The expenditure of the department was Rs. 24,75,000.

Special measures were adopted to put down smuggling of timber to an appreciable extent. Permanent measures to effectively combat this evil have since been taken by establishing checking stations and by issuing a new set of rules called "The Timber Transit Rules". Timber Depots have been opened at important District Headquarters, making timber easily available to the public at scheduled rates for *bona fide* purposes. In order to make use of less known species of timber in the manufacture of furniture, a Wood Working Industry is being established in Tumkur District.

A Khedda was organised at Karapur in December 1949 and 38 elephants were captured; of these, 34 were sold and a sum of Rs. 1,18,100 was realised as against an expenditure of Rs. 75,000.

The International Conference on Forestry and Timber Utilisation for Asia and Pacific was held in Mysore during the year 1948-49 at the instance of the Government of India. This was the first Conference of the kind to be held in the Far East.

Animal Husbandry.

Twenty-one new Rural Veterinary Dispensaries were opened last year in the State. This brings the total number of Veterinary Institutions in the State to 182, thereby providing for one dispensary for approximately every 27,000 head of cattle. Six more dispensaries are expected to be opened during the current year.

The following were among the most important new activities undertaken by the Department:—

(*a*) A Dairy Farm was started at Hessarghatta with a nucleus of 50 Sindhi cows secured from Sowrashtra and the Indian Dairy Research Institute. A herd of 36 Murrah buffaloes and 14 Hallikar cows from the Department has since been added on to the Dairy which is able to produce about 300 pounds of milk a day at present.

(*b*) A Sheep Farm at Mullegal valley in Bangalore with a stock of 200 sheep.

(*c*) Two fish farms at Markandeya and Marconahally.

(*d*) Organising of an Animal Nutrition Section and a Bio-chemical Section at Mysore Serum Institute.

(*e*) Starting of a large scale Central Poultry Farm at Hessarghatta with a target of 1,000 layers.

The two artificial insemination centres at Bangalore and Mysore continued to show evidence of increasing popularity with about 1,500 inseminations to their credit during 1948-49 and 1,800 inseminations during the current year.

With a view to improve the Malnad cattle, a scheme for supplying them with a mineral mixture at 50 per cent cost price was implemented.

A scheme for expansion of the cattle-breeding station at Ajjampur to comprise of 1,000 cows was sanctioned during the year and has been implemented. One hundred and twelve stud bulls were supplied from this Farm in connection with the Live-stock Improvement Schemes and at subvention rates to Village Panchayets and accredited breeders during 1948-49 and 84 bulls during 1949-50 up-to-date.

The Indian Council of Agricultural Research continued to finance 50 per cent of the cost of the two schemes, *viz.*, (*a*) Sheep and Goat Diseases Investigation and (*b*) Poultry Diseases Investigation, as also the entire cost of the scheme relating to the "Study of the possibility of using cows for work."

Information.

In view of the suggestions received from the press and the public from time to time, Government considered it necessary to re-organise the structure of the Publicity Department in Mysore so as to secure the maximum amount of publicity to the administrative measures undertaken by the Government. In fact, one of the handicaps of the Government is the lack of publicity. The question of co-ordinating the publicity work of other departments like Public Health, Labour and Rural Development in the larger interests of the State and the integration of the staff now engaged in such work in these departments with the Department of Information is under the consideration of Government.

Gopala Rao Enquiry Committee.

You have heard from His Highness that the Gopal Rao Enquiry Committee have carried their labours to a successful conclusion and that their report was awaited. The report has been received since and it is interesting to note that while on the insolvency side a dividend of

3 pies was declared the Committee have been actually able to recover and distribute 6 annas in the rupee.

Planning Commission.

The House is aware of the Planning Commission set up by the Government of India. In Mysore we have had the Economic Conference and a Planning Department and we welcome the move of the Government of India. It may, however, be necessary to reorganise our Planning Department to fit it in with the All-India scheme and Government propose to take early steps in the direction.

Land Revenue Reforms Committee.

The House will be interested to learn that the task of the Land Revenue Reforms Committee which was constituted in August 1948 is almost coming to an end and their report may be in the hands of Government within a fortnight. They had sent an interim report. The Government in the meantime have passed an Emergency Act to provide against disposal of lands and trees in reserved lands and forcible eviction of tenants by proprietors of inam lands. This precautionary measure became necessary in order to prevent any future legislation Government may enact from being frustrated by hasty action of any of the inamdars.

Conclusion.

You will see from the above that there has been an orientation in the outlook of this Government in so far as the measures taken and the schemes launched have as their primary object the good of the common man. It is the desire of this Government that the agriculturist must get an adequate return for his labour and the labourer a decent living. The Government have not ignored the paramount need for utilisation of the raw materials in the State and the technical personnel and increasing the production in the land. The immediate problem is to attain self-sufficiency in food and that has obtained priority in our programme. The educational needs are not by any means overlooked. The very fact that a University Bill will soon be brought up before the House and the services of the reputed educationist, Dr. C. R. Reddy, are secured not only for effecting reform in the University courses but to rationalise the system of education in general shows what importance the Government attach to this vital department. The State-wide efforts to order the economy of the country on co-operative lines, the reform in land

revenue policy which Government are contemplating, the scheme to take up intensive work in the rural areas for purposes of industrialisation and for inculcating virtues of initiative, enterprise and self-help, these are again indications of the extreme desire of the Government to introduce a new life into a strata of society which has long been neglected.

In a country which has won its freedom newly, problems arise unexpectedly and all is not smooth-sailing. Before the stupendous problem of refugees in the Western India could be effectively tackled we get the harrowing and unsettling news from East Pakistan of the persecution of the Hindu minority. The complacency of the people is sometimes bewildering. Let us understand that when one part of the body does not re-act when another part of the body is hurt there is something radically wrong in that body as a whole. The virtue of a healthy nation is that every part of it feels the injury to any other part of it. Let us therefore assure the Prime Minister and our other leaders who are bearing the burden of the country valiantly that they have our whole-hearted co-operation in any action they may take to vindicate the honour of India and to find succour to the unhappy vicitims in East Pakistan.

I have placed the position of Mysore's finances before the House without any embellishments. There is no reason in my humble opinion for any one to be over-optimistic or unduly pessimistic. Intrinsically our finances are sound. I cannot say, however, that our capital programme can go ahead with that bound as we thought it would once. It does not mean that I am an advocate of a go-slow or conservative policy, nor do I think there is any in this House who would subscribe to such a retrogressive policy. Let us take a realistic attitude towards problems that crop up one after another. There are many things which we may be willing to write on a clean slate, but unfortunately there is no such clean slate for any Government to write upon.

One thing is becoming increasingly clear, that is that it is only by a total effort of the people and the Government that it is possible to build our economy. May I be forgiven if I were to say that the habit of looking up to

Government for everything has not yet disappeared completely from our country ? Mysore as I know has led the way in many things and may it also give a lead in this spirit of co-operative endeavour for the good of the State and its people ! If the budget I have placed before the House on behalf of the Government should help us to attain that end Government will consider themselves fortunate.

I wish to add one more word before I sit down. The advancing of the year end from 30th June to the end of March not to speak of the negotiations regarding financial integration has put an unduly heavy strain on the Finance Department. To the Financial Secretary and his assistants who have borne the brunt of it and spared no pains I wish to place on record the appreciation of Government.

JAI HIND.

ಅಧ್ಯಕ್ಷರು.—ಈಗ ತಮಗೆಲ್ಲ ಬಡ್ಜೆಟ್ ಪ್ರತಿಗಳನ್ನು ಹಂಚಲಾಗುತ್ತದೆ. ಇದಾದನಂತರ ಸಭೆಯು ನಾಳೆ ಒಂದು ಘಂಟೆಗೆ ಮತ್ತೆ ಸೇರುತ್ತದೆ.

Janab MAHMOOD SHARIFF.—(Mysore *cum* Mandya *cum* Hassan—Muslim). May I know what the Business for to-morrow is ?

Mr. SPEAKER.—Non-official Business–Resolutions.

Mushir-ul-Mulk J. MAHOMED IMAM (Chitaldrug *cum* Tumkur—Muslim).—Will copies of Financial Memorandum be supplied to us ?

Sri H. C. DASAPPA.—Surely it will be given.

Janab J. MAHOMED IMAM.—When ?

Sri H. C. DASAPPA.—Copies wlll be sent to your address.

The Assembly adjourned at Twenty Minutes past Seven of the Clock to meet again at One of the Clock on Wednesday, 22nd March 1950.

WD 1429—GPB—400—25-3-50